DEPARTMENT OF FINANCE

NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT CORPORATION

Activity Plan

April 1, 2014 to March 31, 2017

NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT CORPORATION
P. O. Box 8700
St. John's, Newfoundland and Labrador
A1B 4J6

June 13, 2014

Honourable Charlene Johnson
Minister of Finance
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL
Canada A1B 4J6

Dear Minister Johnson:

Newfoundland and Labrador Industrial Development Corporation is a Crown Corporation which is periodically used as a vehicle for commercial investments made on behalf of the Province.

Pursuant to the provisions of the *Transparency and Accountability Act*, the Corporation is required to develop a three-year Activity Plan. The Board of Directors is accountable for the preparation of this Plan and the achievement of the Plan's objective. In the development of this plan, careful consideration was given to the Strategic Directions of Government, as communicated by the Minister of Finance. As this Corporation has very limited activity and transacts business only at the direction of the Minister, it was determined that the Strategic Directions are not directly applicable to its operations.

As Chair of the Board, it is my pleasure to submit the Activity Plan covering the three year period from April 1, 2014 to March 31, 2017.

Sincerely,

Donna Brewer

Donna Brewer
Chair of the Board

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Activity Plan

1.0 Overview

The Newfoundland and Labrador Industrial Development Corporation ("NIDC") was established in 1967 and operates pursuant to the provisions of the *Industrial Development Corporation Act*. NIDC operates with a March 31 fiscal year end and the results of its activities are fully consolidated in the Province's annual financial statements.

2.0 Mandate

NIDC's primary purpose is to provide long term financing to industrial and resource based projects in accordance with the powers conferred on it by the Act. However, in recent years, NIDC has been relatively inactive with most investment activity being undertaken either directly by the Province or through other Crown Corporations. The most recent investment made by NIDC occurred during the fiscal year ended March 31, 2005. Any future activities of NIDC would be at the direction of the Minister and would be consistent with the Department's values.

3.0 Primary Clients and Stakeholders

The Board's primary responsibility is to Government by overseeing NIDC's affairs.

4.0 Board Representation and Accountability

The affairs of NIDC are overseen by a Board of Directors appointed by the Lieutenant Governor in Council. All Board members are employees of the Province with the position of Chair held by the Deputy Minister of Finance. The Board meets no less often than annually and approves its Financial Statements and Annual Report, both of which are then tabled in the House of Assembly by the Minister of Finance. The current members of the Board and their positions are as follows:

Ms. Donna Brewer (Chair)
Deputy Minister of Finance

Mr. David B. Lewis
Deputy Minister of Fisheries & Aquaculture.

Mr. Alastair O'Rielly
Deputy Minister of Innovation,
Business and Rural Development

Mr. Peter Au
Assistant Deputy Minister
Taxation and Fiscal Policy
Department of Finance

Mr. Paul Myrden (Secretary)
Director of Debt Management
Department of Finance

5.0 Source of Funding

Because of its limited activity, there is no requirement for annual budgetary allocations as NIDC's revenue on existing investments, together with its cash resources, is sufficient to fund its annual operations. However, from time to time, NIDC has been used as the Province's investment proxy where it is deemed appropriate to make an investment through a Crown Corporation, rather than directly by the Province. In these situations, investment funds have been made available to NIDC on a one-off basis.

6.0 Priorities

As stated above, the NIDC has been relatively inactive in recent years, with most investment activity being undertaken either directly by the Province or through other Crown Corporations. However, should the NIDC be directed by the Province to enter into commercial investments or other arrangements for the purpose of providing long term financing to industrial and resource based projects, the NIDC will respond accordingly, pursuant to its mandate[i].

The NIDC is committed to fulfilling its mandated responsibilities. As such, it will provide annual reports detailing the activities it undertook during each preceding fiscal year in compliance with its mandate[i].

Objective: By March 31, 2015, 2016 and 2017, upon direction by the Province, the NIDC will have entered into commercial investments or other arrangements.

Measure: Commercial investments or other arrangements completed as directed by the Province.

Indicator:

- Executed transactions as directed by the Province including Board approval of completed transactions as documented and approved in the Annual Report.

[i] It is noted that the NIDC opted not to develop a mission statement, a vision statement or values (consistent with Government Guidelines). The NIDC has been dormant for many years and does not anticipate activity during the 2014-17 planning cycle, therefore the development of such components was determined to be inappropriate. Additionally, the NIDC considered the responsible Department's mission statement, vision statement, and values, but determined that it had no direct role to play at this time. Lines of business were also not developed; to do so would be repetitive of the NIDC's mandate.